

GENERAL FUND

The General Fund is the general operating fund of the City. Fund expenditures include basic City services, such as police protection, street maintenance, and recreation. Administrative services, such as human resources and financial management, are also accounted for in the General Fund.

Major revenue sources for the General Fund are taxes and utility fees and intergovernmental revenues. Revenues derived from real property taxation provide the vast majority of the City's operating revenues. Tax duplication payments from Montgomery County also provide a significant portion of General Fund revenues. Commonly referred to as "rebates", these payments are intended to compensate Takoma Park for those services that would be provided by Montgomery County if the City did not provide them. Other General Fund revenues are derived from licenses and permits, fines and forfeitures, investment earnings, and miscellaneous fees and charges.

The City utilizes Generally Accepted Accounting Practice (GAAP) based budgeting for the General Fund. This requires that the modified accrual method of accounting be used to record revenues and expenditures. Revenues are recognized when subject to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities for the same period.

Revenues subject to accrual are property taxes and investment income. User charges, fines and forfeitures, permits, and miscellaneous revenues are not subject to accrual because generally they are not measurable until received in cash.

A key element of the budget is the projected ending fund balance. The fund balance represents the unappropriated accumulation of the difference between actual revenues and expenditures. The source and timing of revenues dictate the level of fund balance necessary to avoid cash shortages in normal day-to-day operations. The City recognizes the need to establish and to maintain adequate reserves to avoid any disruption in services caused by a decline in a significant revenue source and to address timing differences in the receipt of monies.

FY06 BUDGET SUMMARY - GENERAL FUND

	<u>Audited FY03</u>	<u>Audited FY04</u>	<u>Budgeted FY05</u>	<u>Estimated FY05</u>	<u>Budgeted FY06</u>
<u>REVENUES</u>					
Taxes and utility fees	8,115,007	8,618,452	9,230,984	9,421,297	9,975,839
Licenses and permits	30,686	60,841	46,000	81,854	66,854
Fines and forfeitures	130,455	104,539	162,500	165,700	162,000
Use of money and property	174,989	67,280	123,000	105,252	106,000
Charges for service	569,734	535,401	621,500	559,300	580,000
Intergovernmental	3,403,661	3,494,647	3,927,280	3,890,513	4,440,346
Miscellaneous	652,055	382,952	104,333	214,798	178,033
Total Revenues	13,076,587	13,264,112	14,215,597	14,438,714	15,509,072
<u>EXPENDITURES</u>					
General Government	1,827,489	2,027,868	1,766,449	1,892,336	1,929,889
Police	3,938,440	4,129,507	4,430,447	4,309,791	4,613,481
Public Works	2,979,599	3,127,512	3,208,734	3,218,671	3,420,064
Recreation	875,888	911,957	1,045,394	919,348	1,109,234
Housing and Community Development	758,430	955,228	994,607	925,909	1,076,921
Communications	220,524	299,080	326,160	320,209	347,919
Library	650,934	685,218	817,766	744,108	866,172
Non-departmental	403,593	606,117	1,217,120	787,048	1,030,976
Capital outlay	1,042,789	394,641	2,569,000	1,234,030	1,576,020
Debt service	1,054,932	307,088	312,735	345,719	892,484
Total Expenditures	13,752,618	13,444,216	16,688,412	14,697,169	16,863,160
Excess (deficiency) of revenues over expenditures	(676,031)	(180,104)	(2,472,815)	(258,455)	(1,354,088)
<u>OTHER FINANCING SOURCES (USES)</u>					
Loan proceeds	380,000	19,475	2,005,000	2,005,000	0
Sale of Property	0	0	0	0	400,000
Operating transfers in (out)	(330,929)	(3,019,513)	(699,774)	(408,149)	(403,309)
Total Other Financing Sources (Uses)	49,071	(3,000,038)	1,305,226	1,596,851	(3,309)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(626,960)	(3,180,142)	(1,167,589)	1,338,396	(1,357,397)
<u>FUND BALANCE</u>					
Beginning of year	6,496,510	5,869,550	2,689,408	2,689,408	4,027,804
End of year					
Restricted Fund Balance	3,544,556	1,215,933	1,128,667	2,156,587	2,140,714
Subsequent Years' Expenditures	990,000	767,589	0	1,357,397	0
Community Center	242,000	0	0	0	0
Takoma Park Recreation Center	28,431	0	0	0	0
Unrestricted Fund Balance	1,064,563	705,886	393,152	513,820	529,693
Total Fund Balance	5,869,550	2,689,408	1,521,819	4,027,804	2,670,407

Note: The Restricted Fund Balance is primarily comprised of the Equipment Replacement Reserve, the Emergency Reserve, and loan proceeds. The FY06 budget assumes the expenditure of \$1.0 million in street loan proceeds, leaving a balance of \$1.05 million.

FY06 REVENUES - GENERAL FUND

<u>REVENUES BY SOURCE</u>	<u>Audited FY03</u>	<u>Audited FY04</u>	<u>Budgeted FY05</u>	<u>Estimated FY05</u>	<u>Budgeted FY06</u>
Taxes and Utility Fees					
Real Property	5,680,412	6,078,458	6,814,293	6,850,000	7,247,406
Personal Property	327,293	422,086	380,000	380,000	367,425
RR and Public Utilities	145,536	162,693	167,805	213,080	159,750
Penalties and Interest	30,964	39,162	32,000	32,000	32,000
Admission and Amusement	0	39	100	100	100
Additions and Abatements	70,072	(16,389)	0	(31,422)	0
Highway	410,920	349,128	355,786	496,539	598,158
Income Tax	1,449,810	1,583,275	1,481,000	1,481,000	1,571,000
Total--Taxes and Utility Fees	8,115,007	8,618,452	9,230,984	9,421,297	9,975,839
Licenses and Permits	30,686	60,841	46,000	81,854	66,854
Fines and Forfeitures	130,455	104,539	162,500	165,700	162,000
Use of Money and Property	174,989	67,280	123,000	105,252	106,000
Charges for Services					
Inspection Fees	209,702	184,581	258,500	218,500	220,000
Donations	12,170	11,329	5,000	5,000	5,000
Steve Francis Foundation	0	2,500	0	0	0
Public Parking Facilities	54,043	48,343	54,000	54,000	54,000
Waste Collection & Disposal Charges	84,275	70,397	85,000	76,000	76,000
Recreation Programs and Services	209,544	218,251	219,000	205,800	225,000
Total--Charges for Services	569,734	535,401	621,500	559,300	580,000
Intergovernmental Revenues					
Police Protection (State)	370,891	394,081	388,375	388,375	450,000
SCCP Grant	3,015	305	3,015	3,500	0
Bank Share Tax	5,643	5,643	5,643	5,643	5,643
Library Aid	84,590	89,674	89,674	90,482	89,670
Police Rebate	424,995	453,807	495,585	454,884	552,183
In Lieu of Police	1,711,206	1,754,320	2,061,676	2,061,318	2,344,286
In Lieu of Roads Maintenance	270,033	250,923	339,903	339,903	430,079
In Lieu of Parks Maintenance	68,217	69,786	71,740	71,740	71,670
In Lieu of Crossing Guard	88,717	107,307	121,738	121,738	130,435
Revenue Authority--In Lieu of Taxes	20,800	5,200	22,000	0	0
Takoma/Langley Rec. Agreement	100,000	100,000	100,000	100,000	100,000
Hotel Motel Tax	75,716	72,739	53,000	53,000	65,000
Cable Franchise Fees	101,168	127,392	117,220	141,932	141,932
Cable--Operating	78,670	63,470	57,711	57,998	59,448
Total--Intergovernmental Revenues	3,403,661	3,494,647	3,927,280	3,890,513	4,440,346

FY06 REVENUES - GENERAL FUND

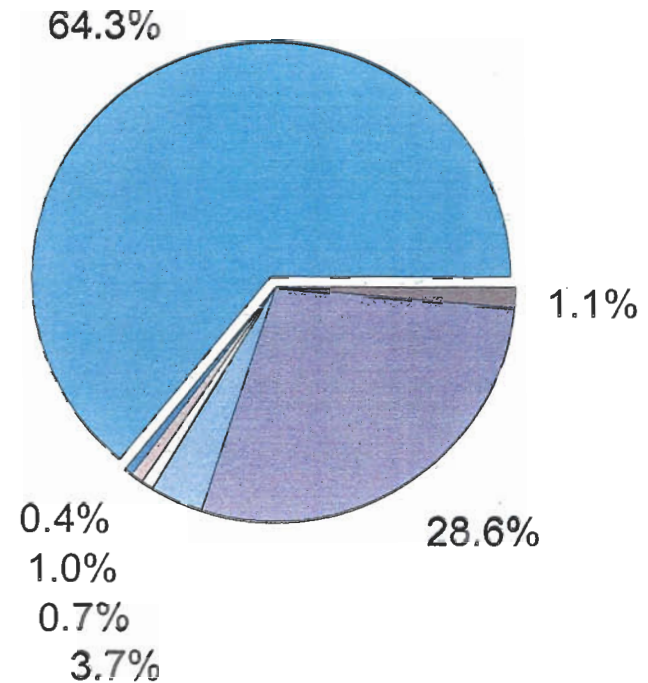
<u>REVENUES BY SOURCE</u>	<u>Audited FY03</u>	<u>Audited FY04</u>	<u>Budgeted FY05</u>	<u>Estimated FY05</u>	<u>Budgeted FY06</u>
Miscellaneous					
Tree Fund	0	10,000	0	0	0
Sales of Impounded Equipment	825	15	2,000	0	0
Advertising--Bus Shelters	5,080	11,358	4,000	4,492	4,000
Farmer's Market	3,120	3,269	3,500	3,120	3,500
Other	162,264	160,257	35,000	35,000	25,000
Telephone Commissions	2,097	560	1,000	200	200
Recyclable Sales	1,753	1,374	1,000	5,400	1,000
Insurance Claims	27,593	23,096	1,000	15,000	1,000
Sale of City Property	36,510	0	0	0	0
Mulch Sales	10,210	14,847	12,000	12,000	12,000
Passport Services	30,916	37,103	30,000	30,000	30,000
Takoma Langley Crossroads	2,250	13,333	3,333	3,333	3,333
Special Trash Pickup	11,450	6,900	8,000	8,000	8,000
Sales Tax		6	0	0	0
WSSC	260,170	74,832	0	72,253	25,000
Affordable Housing	71,817	0	0	0	0
WAH Administration Fee	26,000	26,000	0	26,000	26,000
Edinburgh House PILOT	0	0	3,500	0	0
Day Laborer Site	0	0	0	0	39,000
 Total--Miscellaneous	 652,055	 382,950	 104,333	 214,798	 178,033
 Total General Fund Revenues	 13,076,587	 13,264,110	 14,215,597	 14,438,714	 15,509,072

FY 06 Budget General Fund

Revenues by Type

TOTAL = \$15,509,072

	Taxes & Utility Fees - \$9,975,839
	Licenses & Permits - \$66,854
	Fines & Forfeitures - \$162,000
	Use of Money & Property - \$106,000
	Charges for Service - \$580,000
	Intergovernmental - \$4,440,346
	Miscellaneous - \$178,033



FY 06 Budget General Fund

Expenditures By Department

TOTAL = \$16,863,160

	General Government - \$1,929,889
	Police - \$4,613,481
	Public Works - \$3,420,064
	Recreation - \$1,109,234
	Housing & Comm Dev - \$1,076,921
	Communications - \$347,919
	Library - \$866,172
	Non- Departmental - \$1,030,976
	Capital Outlay - \$1,576,020
	Debt Service - \$892,484

